

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 8 – HB 161

January 15, 2021

SUMMARY OF BILL: Authorizes the chief governing body of a political subdivision to have an actuarial study done before participating in the retirement system at the expense of the political division, to determine the share of the assets of the retirement system and associated liabilities attributable to the new political subdivision. Establishes the information that must be included in the actuarial study. Authorizes the political subdivision to make payments towards the entity's pension liability with any assets from the actuarial study. Authorizes the state Treasurer to require the political subdivision and the entity to provide documentation, including, but not limited to, financial statements, actuarial assessments, and an opinion of an independent actuary.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – \$1,000/FY21-22 and Subsequent Years/TCRS

Increase Local Expenditures – \$1,000/FY21-22 and Subsequent Years/Permissive

Assumption:

- It is estimated that at least one political subdivision will pay the Tennessee Consolidated Retirement Systems (TCRS) for an actuarial study to be conducted each year, resulting in a recurring increase in local expenditures and a corresponding recurring increase in state revenue to TCRS of \$1,000 beginning in FY21-22.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic".

Bojan Savic, Interim Executive Director

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